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GUILFORD F. THORNTON, JR. gthornton@stokesbartholomew.com

February 18, 2003

The Honorable Sara Kyle, Chairman Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243

DE.

Complaint of Ben Lomand Communications, Inc. Against Citizens Telecommunications Company of Tennessee, Inc. d/b/a Frontier Communications of Tennessee

Docket No. 02-01221

Dear Chairman Kyle:

On behalf of Citizens Telecommunications Company of Tennessee, LLC, I am enclosing with this letter responses to discovery requests previously tendered by Ben Lomand Communications, Inc. ("BLC"). A copy has been served on counsel for BLC.

Should you have any questions or require anything further at this time, please do not hesitate to contact me.

Sincerely,

Guilford F. Thornton, J.

cc:

Mike Swatts Gregg Sayre

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by facsimile transmission and by first class mail postage prepaid this the 18th day of February, 2003 to:

Don Baltimore Farrar & Bates LLP 211 Seventh Avenue North Nashville, Tennessee 37219

Richard Collier Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37238

Guilford F. Thornton

BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

IN RE:)
)
COMPLAINT OF BEN LOMAND)
COMMUNICATIONS, INC.,)
)
Against) Docket No. 02-01221
)
CITIZENS TELECOMMUNICATIONS	.)
COMPANY OF TENNESSEE, LLC,)
d/b/a FRONTIER COMMUNICATIONS)
OF TENNESSEE.	

CITIZENS TELECOMMUNICATIONS COMPANY OF TENNESSEE, LLC'S RESPONSE TO REQUEST FOR DISCOVERY

Citizens Telecommunications Company of Tennessee, LLC, ("Citizens") responds to the Request for Discovery From Ben Lomand Communications, Inc. ("BLC") as follows:

GENERAL OBJECTIONS

1. As a preliminary matter, Citizens objects to these discovery requests because they are overbroad and unduly burdensome, and they seek information that is not relevant to these proceedings or likely to lead to the discovery of relevant evidence based on the prior rulings of the TRA, particularly the ruling of the TRA on Citizens' Motion to Dismiss at its January 27, 2003 Conference (the "January 27 Conference").

At the January 27 Conference, the TRA dismissed all the claims relating to undue preference and unjust discrimination but allowed he case to proceed solely on the issue of whether Citizens' pricing in its tariff filed April 11, 2002 (the "April 11 Tariff") was predatory. Accordingly, based on the TRA's ruling, the only issue currently before the TRA is whether the prices for the services offered in the April 11 Tariff are below cost. The operative cost floor is

set forth in T.C.A. § 65-5-208(c). As is stated in Citizens' Motion to Dismiss, in connection with the filing of the April 11 Tariff Citizens provided cost justification for the April 11 Tariff.

- 2. Citizens objects to the discovery requests to the extent that they seek the discovery of information or documents subject to the attorney-client privilege or work product doctrine.
- 3. Citizens objects to the discovery requests to the extent that they seek information and/or documents that are proprietary and confidential absent a protective order which (a) limits the production of such information and/or documents for review by outside counsel for BLC and any experts retained by such counsel; (b) limits the use of confidential information and/or documents to this proceeding; and (c) requires that the information and/or documents designated as confidential remain under seal.
- 4. Citizens objects to the discovery requests to the extent that they request information that is not required by the applicable rules of the TRA.

Without waiving these General Objections, Citizens responds to the Interrogatories, Data Requests, and Requests for Admission as follows:

INTERROGATORIES

1. Identify each person whom you expect to call as a witness at any hearing in this case.

ANSWER: At this time Citizens does not know whom it will call as a witness. However, the identity of Citizens' witness will be revealed when Citizens files its sworn testimony in accordance with the rules of the TRA.

2. State the number of access lines for Frontier and its affiliates in service as of December 31, 2001 and December 31, 2002 in McMinnville and Sparta.

ANSWER: Citizens objects to this request for the reasons stated in its General Objections 1 and 3. This information does not relate to whether the pricing in the April 11 Tariff is below cost, and it is proprietary information.

3. What sources and amounts of funding does Frontier Communications of Tennessee receive from its affiliates?

ANSWER: Citizens objects to this request for the reasons stated in its General Objections 1 and 3. Without waiving its objections, Citizens is willing to provide BLC's counsel with (a) copies of the monthly financial reports ("3.01 Report") it files monthly with the TRA that are current through November 2002, (b) copies of any subsequent similar financial filings, and (c) Citizens cost justification for the April 11 Tariff that was filed with the TRA, provided that this material is produced pursuant to a protective order as set forth in General Objection 2.

Without waiving its objections, Citizens denies that it is pricing services in McMinnville and Sparta below cost. Because the prices are above Citizens' cost, Citizens has no need for any funding from the revenues from other services to defray the cost of offering those services.

4. What is the rate of Return on Investments for Frontier's Tennessee exchanges as of December 31, 2002?

ANSWER: Citizens restates its response to Interrogatory No. 3, which is incorporated herein by reference.

5. What is the rate of Return on Investments for Frontier's exchanges in McMinnville and Sparta as of December 31, 2002?

ANSWER: Citizens restates response to Interrogatory No. 3, which is incorporated herein by reference. Furthermore, without waiving its objections, Citizens states that it does not calculate a rate of return on an exchange basis.

6. Please explain the difference between the Versaline Centrex offering and regular Digital Centrex Service.

ANSWER: Citizens objects to this request for the reasons set forth in its General Objection 1. Without waiving its objections, the product offerings are described in Citizens' tariffs on file with the TRA, Citizens will provide a copy once an acceptable protective order has been entered.

7. Why is Versaline Centrex Service offered in McMinnville and Sparta and not elsewhere in Tennessee?

ANSWER: Citizens objects to this request for the reasons set forth in its General Objection 1. Without waiving its objections, Citizens states that it may roll out the Versaline Centrex Service to other customers. Furthermore, as has been recognized by the TRA, Citizens faces stiff competition in McMinnville and Sparta.

8. Why does Frontier offer the April 11, 2002 reduced flat rate business and Versaline Centrex Tariff's rates in the McMinnville and Sparta exchanges and not in its other Tennessee exchanges?

ANSWER: Citizens objects to this request for the reasons set forth in its General Objection 1. As has been recognized by the TRA, Citizens faces stiff competition in McMinnville and Sparta.

9. In what exchanges in other states has Frontier and its affiliates offered tariffs similar to the April 11, 2002 Tariff in which the rates/tariffs are lower than in other Frontier exchanges in such state?

ANSWER: Citizens objects to this request for the reasons set forth in its General Objection 1.

10. For those exchanges and/or states listed in the answer to Interrogatory No. 9, list such rates/tariffs that have been rejected, revoked, or disapproved by the respective public utility commissions (equivalent to the Tennessee Regulatory Authority)?

ANSWER: Citizens restates its response to Interrogatory No. 9, which is incorporated herein by reference.

11. For those exchanges and/or states listed in the answer to Interrogatory No. 9, list the competitors (ILECS/CLECS) which terminated business in such exchanges; were sold to other competitors or Frontier and its affiliates; or were merged with another competitor or Frontier and its affiliates?

ANSWER: Citizens restates its response to Interrogatory No. 9, which is incorporated herein by reference.

12. In what manner were existing Frontier customers (excluding win-back customers) made aware that Contract Service Arrangements with Frontier were available to them?

ANSWER: Citizens objects to this request for the reasons stated in its General Objection

1. Furthermore, Contract Service Agreements ("CSA's") are not at issue in this case. The rates at issue in the April 11 Tariff are tariffed rates, and CSA's are by definition rates not covered by general tariffs.

13. What is the Tariff Contract Service Arrangement rate for flat rate business service in all other Frontier Tennessee exchanges?

<u>ANSWER</u>: Citizens restates its response to Interrogatory No. 12, which is incorporated herein by reference.

14. What is the Contract Service Arrangement rate for Basic Centrex service for McMinnville and Sparta and for all other Frontier Tennessee exchanges?

ANSWER: Citizens restates its response to Interrogatory No. 12, which is incorporated herein by reference. Without waiving its objections, Citizens states that it does not currently have any CSA's with any customers in McMinnville or Sparta.

15. Does Frontier offer Unbundled Network Element Pricing in any exchanges in Tennessee?

ANSWER: Citizens objects to this request for the reasons set forth in its General Objection 1. Additionally, this interrogatory appears to request information as to rates offered to competitive CLECS, which is not at issue in this proceeding.

16. List the exchanges in Tennessee in which Frontier is faced with competition from other land-line competitors.

ANSWER: Citizens objects to this request for the reasons set forth in its General Objection 1.

DATA REQUESTS

1. Identify and produce copies of all Frontier cost studies, supporting data, correspondence, and documentation arising from or related to the April 11, 2002 Tariff, including, but not limited to, cost studies and supporting data not furnished to the Tennessee Regulatory Authority and all other documentation and/or calculations relied upon in producing such cost studies.

RESPONSE: Citizens restates its response to Interrogatory No. 3. In addition, Citizens objects to this request to the extent that any documents responsive to this request, which is overbroad, may be subject to the attorney-client privileged or work product doctrine.

Without waiving this objection and subject to an appropriate protective order, Citizens will produce applicable cost studies and internal correspondence, once an acceptable protective order has been entered in this matter.

2. Identify the persons who proposed, calculated, prepared, reviewed, and/or approved (excluding Tennessee Regulatory Authority personnel) the April 11, 2002 Tariff.

RESPONSE: Citizens objects to this request for the reasons set forth in its General Objection 1. Without waiving its objections, Citizens states that numerous persons were involved in proposing, calculating and reviewing the April 11 Tariff. J. Michael Swatts was primarily responsible for making the decision to implement and file the April 11 Tariff. Citizens' personnel referenced in the internal correspondence which is being produced herewith also participated in the preparation of the April 11 Tariff.

3. Identify and produce all Frontier Contract Service Arrangements for flat rate business and Versaline Centrex Service in Tennessee, including those for customers in the exchanges of McMinnville and Sparta, and in the counties of Cumberland, Putnam, and Weakley.

RESPONSE: Citizens objects to this request for the reasons stated in its General Objections 1 and 3. Additionally, Citizens restates its response to Interrogatory 12, which is incorporated herein by reference. Furthermore, Tariff filings are a matter of public record.

4. Of the Contract Service Arrangements listed in the response to Data Request No. 3, how many of those contracts were entered into with existing Frontier customers (excluding win-back customers)?

RESPONSE: Citizens restates its response to Data Request No. 3, which is incorporated herein by reference.

5. Identify and produce all Frontier cost studies, supporting data, correspondence, and documentation, including cost studies and supporting data not furnished to the Tennessee Regulatory Authority, arising from or related to the Contract Service Arrangements.

RESPONSE: Citizens restates its response to Data Request No. 3, which is incorporated herein by reference.

6. Identify the persons who proposed, prepared, reviewed, and/or approved (excluding Tennessee Regulatory personnel) the Contract Service Arrangements.

RESPONSE: Citizens restates its response to Data Request No. 3, which is incorporated herein by reference.

7. Identify and produce Frontier's most recent audited financial statements (Balance Sheet, Income Statement, and Statement of Cash Flows).

RESPONSE: Citizens restates its response to Interrogatory No. 3, which is incorporated herein by reference.

8. Identify and produce Frontier's projected financial statements (three (3) years).

RESPONSE: Citizens restates its response to Interrogatory No. 3, which is incorporated herein by reference.

9. Identify and produce Frontier's Tennessee Capital Expenditures Budget for 2001, 2002, and 2003.

RESPONSE: Citizens restates its response to Interrogatory No. 3, which is incorporated herein by reference.

10. Identify and produce Frontier's Tennessee Capital Expenditures Budget for 2001,2002, and 2003 for Sparta and McMinnville.

RESPONSE: This request is adequately addressed in Citizens' response to Interrogatory No. 3, which is incorporated herein by reference.

11. Produce any and all organizational charts identifying any of the entities and/or divisions or offices identified in these Discovery Requests.

RESPONSE: Citizens restates its response to Interrogatory No. 3, which is incorporated herein by reference

12. Identify and produce copies of all correspondence and documentation regarding Frontier's business plan in the McMinnville and Sparta exchanges related to the April 11, 2002 Tariff.

RESPONSE: Citizens restates its response to Interrogatory No. 3 and Data Request No. 1, which is incorporated herein by reference. In addition, Citizens objects to this request to the extent that any documents responsive to this request may be subject to the attorney-client privileged or work product doctrine.

13. Identify and produce copies of all correspondence and documentation regarding Frontier's analysis of the effect of the April 11, 2002 Tariff on Ben Lomand and other competitors of Frontier in the McMinnville and Sparta exchanges.

RESPONSE: Citizens restates its response to Interrogatory No. 3, which is incorporated herein by reference. In addition, Citizens objects to this request to the extent that any documents responsive to this request may be subject to the attorney-client privileged or work product doctrine.

REQUEST FOR ADMISSIONS

1. Versaline Centrex Service contains numerous additional features (including full Network Access) than Centrex Business Service, but at a lower rate than Centrex Basic Service.

RESPONSE: Citizens objects to this request for the reasons set forth in its General Objection 1.

Furthermore, without waiving its objections, Citizens denies this request to the extent that it seeks an admission that is inconsistent with Citizens' published tariffs, including the April 11 Tariff, which speak for themselves as to product features and rates.

2. Frontier Communications of Tennessee is offering the April 11, 2002 Tariff rates below cost.

RESPONSE: Denied.

3. Frontier Communications of Tennessee uses revenues from non-competitive services to subsidize competitive services in Sparta and McMinnville.

RESPONSE: Citizens objects to this request for the reasons set forth in its General Objection 1. Furthermore, Citizens objects to this request because it is vague and ambiguous and argumentative. Citizens does not know what BLC means by "non-competitive services" or "competitive services."

Without waiving its objections, Citizens denies this request to the extent that it seeks to establish that Citizens is pricing services in McMinnville and Sparta below cost. Because the

prices are above Citizens' cost, Citizens has no need for any funding from the revenues from other services to defray the cost of offering those services.

4. Frontier Communications offers the same April 11, 2002 Contract Service Arrangement pricing for flat business service and Versaline Centrex Service to wholesale customers as well as retail customers in McMinnville and Sparta.

RESPONSE: Citizens objects to this request for the reasons set forth in its General Objection 1. Additionally, Citizens restates its response to Interrogatory No. 12, which is incorporated herein by reference.

Without waiving its objections, Citizens denies this request.

5. Frontier Communications of Tennessee receives subsidization from affiliates.

RESPONSE: Citizens objects to this request for the reasons set forth in General Objection 1. Additionally, Citizens objects to this request because it is vague and ambiguous. Citizens does not know what BLC means by "subsidization."

Without waiving its objections, Citizens denies this request to the extent that it seeks to establish that Citizens is pricing services in McMinnville and Sparta below cost. Because the prices are above Citizens' cost, Citizens has no need for any funding from the revenues from other services to defray the cost of offering those services.

VERIFICATION

STATE OF WEST VIRGINIA

COUNTY OF MERCER

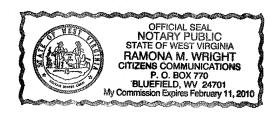
I, J. Michael Swatts, after first being duly sworn, state that I am State Government Affairs Director of Citizens Communications Company of Tennessee, LLC, d/b/a Frontier Communications of Tennessee, and that, as State Government Affairs Director, I am authorized by Citizens Communications Company of Tennessee, LLC, d/b/a Frontier Communications of Tennessee to verify answers to the foregoing discovery requests and state that the answers thereto are true and correct to the best of my knowledge, information and belief.

CITIZENS TELCOMMUNICATIONS COMPANY OF TENNESSEE, LLC, d/b/a FRONTIER COMMUNICATIONS OF TENNESSEE

Title: State Government Affairs Director

Sworn to and subscribed before me on this / 47 day of FEBRUARY, 2003.

Notary Public
My Commission Expires: 2/11/2010



As to objections:

Respectfully submitted,

Guilford F. Thornton, Jr. (No. 14508)

Charles W. Cook, III (No. 14274) STOKES BARTHOLOMEW

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